

MARINE CORPS BUSINESS ENTERPRISE INITIATIVES

The President's Management Agenda, Secretary of Defense's transformational guidance and the Secretary of Navy's Sea Enterprise vision reinforce a series of Congressional measures that challenge the military services to transform business practices as well as military capability.

Business transformation means changing culture, business practices, processes and organizations for sustained advantage. Our purpose in business transformation is to become the most effective and efficient Marine Corps possible, optimizing resources at every level of command in order to free resources for investment in core combat capabilities.

The Marine Corps is already organizing and fully committed to become both more effective and efficient. We assigned executive leadership to directly oversee the Marine Corps Business Enterprise office. This new office will maintain our focus on improving core operational functions by refining all business processes and competing or divesting non-core functions to achieve required capabilities more efficiently. The foundation of our business transformation is a common business information system that will institute cost, output and performance metrics necessary to support internal examination of non-core functions, continuous process improvements, and improved scrutiny of current year fiscal operations.

Much of our business transformation emphasis to date has been on improving installation and logistic support processes. In the future we will expand the scope of this effort to include the entire enterprise. We will continue to reengineer, right-source and divest or eliminate non-core functions. Business information across the Marine Corps will improve. Analysis will link this information to resource allocation decisions and increased scrutiny of current fiscal operations.

We will continue to validate the requirement for military billets in supporting functions. Where we identify opportunities to replace military personnel in support functions with contract or civil service, we will use the improved flexibility of the National Security Personnel System and a streamlined competitive sourcing process to facilitate the conversions at the least cost to the American taxpayer.

Future transformation will build on and be inspired by past accomplishments. In 1999, we initiated, and we continue to develop, one of the largest activity based cost management programs in government. Applying improved cost and performance information along with the judicious use of tools such as business process/organizational streamlining, regionalization, competitive sourcing, and military to civilian/contract conversion, the Marine Corps has achieved concrete results that facilitated the realignment of a regiment of Marines and nearly \$100M annually to higher priority needs.